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Letter dated 11 January 2017 from the Chair of the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning Islamic State in Iraq and the Levant (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities addressed to the President of the Security Council

I have the honour to transmit herewith the nineteenth report of the Analytical Support and Sanctions Monitoring Team established pursuant to resolution 1526 (2004), which was submitted to the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning Islamic State in Iraq and the Levant (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities, in accordance with paragraph (a) of annex I to resolution 2253 (2015).

I should be grateful if the present letter and the report could be brought to the attention of the members of the Security Council and issued as a document of the Council.

(*Signed*) Kairat **Umarov**
Chair
Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning Islamic State in Iraq and the Levant (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities

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Letter dated 30 December 2016 from the Analytical Support and Sanctions Monitoring Team in accordance with paragraph (a) of annex I to resolution 2253 (2015) addressed to the Chair of the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning Islamic State in Iraq and the Levant (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities

I have the honour to refer to paragraph (a) of annex I to resolution 2253 (2015), by which the Security Council requested the Analytical Support and Sanctions Monitoring Team to submit, in writing, comprehensive, independent reports to the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning Islamic State in Iraq and the Levant (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities, every six months, the first by 30 June 2016.

I therefore transmit to you the Monitoring Team's nineteenth comprehensive report, pursuant to annex I to resolution 2253 (2015). The Team notes that the document of reference is the English original.

(*Signed*) Hans-Jakob **Schindler**
Coordinator
Analytical Support and Sanctions Monitoring Team

Nineteenth report of the Analytical Support and Sanctions Monitoring Team submitted pursuant to resolution 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and associated individuals and entities

Summary

During the reporting period, Islamic State in Iraq and the Levant (ISIL)[a] remained under sustained military pressure, in particular in Iraq, the Syrian Arab Republic, Libya, Nigeria and Afghanistan. Nevertheless, the group and Al-Qaida affiliates continue to present a complex and diverse challenge to international security. While ISIL members and sympathizers have conducted a range of attacks outside the immediate conflict zones as a reaction to pressure on the organization, Al-Qaida affiliates also maintain a significant level of terrorist operations in their respective regions. South-East Asia and West and East Africa are experiencing a rising level of risk emanating from ISIL or Al-Qaida affiliates.

The overall flow of foreign terrorist fighters to Iraq and the Syrian Arab Republic appears to have markedly slowed as a result of increased control measures put in place by Member States and military pressure brought to bear on the groups. While Member States continue to report foreign terrorist fighter movements in some parts of Africa, these numbers are significantly lower than the flows towards the ISIL core in 2014 and 2015. A growing challenge involves returnees and intercepted[b] fighters. The travel of these persons entails the risk of concentrating individuals who potentially pose a considerable threat in particular regions.

In addition to the reduced flow of foreign terrorist fighters, sanctions measures levied against the various asset streams of ISIL have begun to take effect. This relates in particular to the trade in antiquities illegally removed from Iraq and the Syrian Arab Republic. Member States informed the Analytical Support and Sanctions Monitoring Team and the United Nations Educational, Scientific and Cultural Organization of increasing numbers of seizures and criminal investigations in this regard.

[a] Listed as Al-Qaida in Iraq (QDe.115).

[b] Foreign terrorist fighters whose travel to conflict zones has been frustrated by the efforts of national authorities.

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* The annexes are being circulated in the language of submission only and without formal editing.

I. Overview of the threat

A. Emphasis by Islamic State in Iraq and the Levant on external attacks and resilience of Al-Qaida affiliates

1. Islamic State in Iraq and the Levant (ISIL) is currently militarily on the defensive in several regions and overall has not demonstrated that it is capable of reversing the current sustained pressure. Nevertheless, as a reaction, it continues to encourage its followers and sympathizers outside the conflict zones to perpetrate attacks. Consequently, a steady stream of ISIL-inspired or ISIL-enabled attacks were observed during the reporting period. Member States explained that, in some cases, those attacks involved not only individuals "inspired" by ISIL propaganda, but also wider networks reaching back to foreign terrorist fighters operating with the ISIL core, some of whom had "commissioned" specific attacks. At the same time, as outlined below, Al-Qaida affiliates in many regions have proved themselves to be resilient, continuously conducting attacks.[1]

2. One particular aspect of the threat concerns radicalized individuals who are considered "trusted insiders" in critical infrastructure, in particular airports. ISIL and Al-Qaida affiliates have claimed responsibility for some recent terrorist attacks conducted or facilitated by "trusted insiders" who enjoy privileged access to facilities, information and training. These "insiders" have been sympathetic to and collaborated with terrorist organizations to execute attacks. For example, as one Member State explained to the Analytical Support and Sanctions Monitoring Team, the Daallo Airlines attack in Mogadishu in February 2016 was facilitated by an airport employee who allowed the attacker to enter the secure area of the airport. The phenomenon creates a new challenge for Member States, which mainly concentrate their resources on tackling "outsider threats". The Team will work with Member States and other relevant stakeholders to monitor this phenomenon and, if appropriate, make recommendations in its next report.

B. Returnees

3. One Member State highlighted that it was dealing with large numbers of returnees from the Syrian Arab Republic travelling through its territory and significant numbers of foreign terrorist fighters stopped en route to the Syrian Arab Republic. The Member State explained that many of those returnees refused to travel to their countries of nationality or residence and could not be compelled to do so legally unless they were subject to international arrest warrants.[2] Currently, there are no international rules dictating how such returnees should be dealt with[3] and,

[1] The global number of Al-Qaida members and sympathizers is more difficult to assess given the more opaque recruitment methods employed by the organization. Nevertheless, the number is potentially significant. One Member State assessed that the total number could be in the tens of thousands in more than 60 countries.

[2] The Member State also outlined that airlines would not accept returning fighters as unwilling passengers unless they were provided with a security escort.

[3] Resolution 2178 (2014) is focused on the travel of foreign terrorist fighters from their home countries to conflict zones.

while most countries respect the obligation to accept the return of their nationals, this does not necessarily extend to those holding dual nationality or mean that those countries will facilitate their return. The Member State reported that such returnees were therefore allowed to choose the country for which they did not require a visa and to which they could be deported. Consequently, the current situation entails the risk that returnees may become concentrated in particular areas, exacerbating the security threat there. It may therefore be necessary to agree to a set of international practices in order to tackle the problem of returnees. The Security Council may wish to address this issue in a future resolution.

II. Regional trends

A. Europe

4. The threat from ISIL external attack planning has been present since Abou Mohamed Al Adnani (QDi.325) gave a speech in September 2014 in which he threatened the United States of America and European countries for conducting air strikes against ISIL. ISIL subsequently conducted a multi-strand attack strategy, including large-scale directed attacks, enabled attacks in which it provided guidance or assistance in some form and inspired attacks through its propaganda.

5. During the reporting period, ISIL failed to direct any large-scale attacks in Europe. This is probably due to a combination of factors, including the increasing difficulty for fighters to travel into mainland Europe because the border with Turkey has been tightly controlled, pressure on fighters in conflict areas, the loss of territory that has absorbed considerable resources to defend and, not least, large-scale police and security measures in a range of countries that have disrupted both plots and cells throughout Europe. Nonetheless, the threat of large-scale directed attacks remains. One Member State reported that ISIL had dispatched between 60 and 90 operatives to Europe to conduct the attacks in Paris and Brussels. Not all have been identified and arrested.

6. Member States highlighted that ISIL members within the conflict zones had commissioned attacks by other fighters in their home countries. For example, Junaid Hussain (not listed) and Reyaad Khan (not listed) (both killed) had been engaging with others online in the United Kingdom of Great Britain and Northern Ireland, guiding them to conduct attacks. Such enablers appear to be organized on a country/regional and language basis to work with people online in their countries of origin to conduct attacks. The diverse nationalities, languages and previous places of residence among fighters in ISIL-held territory increase their global reach.

7. Many of the ISIL-inspired attacks were initially reported as "lone actor" attacks, although subsequent investigations have shown that in most cases the individuals involved received support or facilities from other extremists and/or criminal groups. ISIL highlights various attack methodologies through its online propaganda, such as *Dabiq*, in which it also provides designs for improvised explosive devices. The use of a truck to attack members of the public attending a Christmas market in Berlin on 19 December 2016 mirrors the methodology of the attack in Nice, France, on 14 July 2016, and may well prove to have been inspired by such publications.

8. Some Member States have reported that the flow of European foreign terrorist fighters to ISIL in the Syrian Arab Republic and Iraq has slowed considerably owing to a combination of factors. The military campaigns, its loss of territory and its deteriorating financial situation have reduced the draw of ISIL for such fighters. In addition, the measures taken by many European Member States to restrict travel to conflict zones and, in particular, recent measures taken by the Government of Turkey have helped to reduce the flow of European fighters. One European Member State reported that, while some were still attempting to travel to the conflict zone, the flow was much reduced, down from up to 100 individuals per month in 2013 and 2014 to fewer than 5 per month in 2016. For other Member States, the rate fell by 20 to 50 per cent in 2016.

9. As noted in the Team's eighteenth report (S/2016/629), the number of foreign terrorist fighters returning to their countries of origin, potentially intending to perpetrate attacks, in combination with those being radicalized within those countries, presented a growing challenge to the security of European Member States. A number of these States have reported that between 15 and 40 per cent of their nationals and residents who had travelled to Iraq and the Syrian Arabic Republic have returned. Some Member States highlighted that that figure included a rising number of female returnees currently being prosecuted. As expected, Member States indicated that those returnees presented a varying level of threat. A proportion present a significant threat and are facing appropriate legal and control measures, while many others had become disillusioned with the fighting and the distorted ISIL ideology and consequently present a threat at the lower end of the spectrum.

10. In general, Member States do not expect that most remaining European foreign terrorist fighters will wish to relocate to other fighting zones. One reported that many were likely to be put off from seeking to return home for fear of arrest. It can therefore be anticipated that a fairly small number of those fighters remaining in the conflict zone will subsequently return. One Member State estimated this to be around 10 per cent. Nevertheless, those will be hardened fighters and present a significant threat upon their return.

11. Member States continue to report that European foreign terrorist fighters present an income stream for ISIL. Some such fighters maintain their personal bank accounts and ask sympathizers in Europe to transfer money to these accounts. ISIL sympathizers continue to have access to these accounts outside the conflict zone to withdraw money and provide it to the ISIL core. Some Member States also reported incidents of foreign terrorist fighters continuing to receive social benefits into their bank accounts and of terrorists in Europe withdrawing social benefits paid into accounts of fighters who had already travelled to the conflict zone.

12. **Given that active bank accounts held by foreign terrorist fighters continue to present a risk factor, the Monitoring Team recommends that the Committee write to Member States to highlight this risk and encourage those that have not yet done so to explore possibilities to better control access to bank accounts of known foreign terrorist fighters by devising appropriate control measures in accordance with their national laws and regulations.**

B. Levant

1. Islamic State in Iraq and the Levant

13. In the past few months, ISIL has experienced several military setbacks in the Syrian Arab Republic and in Iraq owing to air strikes and ground offensives. Nevertheless, it has shown significant resistance in Mosul, Iraq,[4] and Bab, Syrian Arab Republic, and currently retains a strong hold on Raqqah, Syrian Arab Republic.

14. The current number of ISIL fighters is difficult to estimate with certainty. The Team received various estimates, ranging from 12,000 to 20,000 for the Syrian Arab Republic and Iraq to 33,000 fighters within the wider Middle East, including 15,000 foreign terrorist fighters. According to Member States, ISIL continues to maintain training capacities in Raqqah, Syrian Arab Republic, and Anbar and Ninawa, Iraq. Several Member States have also highlighted the increasing danger of ISIL training and arming minors.

15. ISIL has continued to employ asymmetric attacks in urban guerrilla warfare using improvised explosive devices, suicide vehicle-borne improvised explosive devices, snipers and ambushes against conventional forces. According to one Member State, civilians are often used as human shields. Owing to the air strikes, ISIL protects its materiel and uses armoured vehicles and heavy weapons only if absolutely needed.[5] ISIL continues to use drones for reconnaissance and to film propaganda.[6] In addition, a drone carrying explosives killed two Peshmerga fighters and injured two French soldiers in the area of Erbil, Iraq, on 2 October 2016. One Member State also highlighted the increased risk of the misuse of poison as part of improvised explosive devices.[7]

16. The leadership of ISIL has also adapted its command tactics. According to several Member States, the central ISIL command develops only the overall strategy and gives leeway for initiatives to its local commanders. According to one Member State, the organization is seeking to adjust the movement of its fighters to the continuing air campaign (movement at night, using motorcycles and bicycles and in small convoys)

17. ISIL internal communication is increasingly moving to more covert methods, including the dark web, encryption and messengers.[8] Since the beginning of military operations in Iraq and the Syrian Arab Republic, the volume of ISIL core propaganda output on open sources has steadily declined.[9] In addition, a Member State pointed out that there was also a marked change in the content of the messages, which were increasingly focused on military engagements and less on the

[4] According to a Member State, ISIL appears to be well entrenched within the city.
[5] Member State information.
[6] Member State information. The Team had also reported this in the past: see S/2014/815, para. 49, and S/2014/770, para. 70.
[7] The Team highlighted this risk in 2014. See S/2014/815, para. 45.
[8] Member State information.
[9] Member State information. See also Daniel Milton, *Communication Breakdown: Unravelling the Islamic State's Media Efforts* (West Point, New York, Combating Terrorism Center at Westpoint, 10 October 2016). Available from www.ctc.usma.edu/v2/wp-content/uploads/2016/10/ISMedia_Online.pdf.

ISIL idea of "state-building". The Amaq News Agency (not listed) continues to act as one of the main ISIL media outlets. According to one Member State, ISIL also uses communication outlets such as the Furqan media agency, the Hayat media centre, the Ajnad Media Foundation and the I'tisam Media Foundation.

18. According to several Member States, the death of Abou Mohamed Al Adnani was a significant but temporary setback for ISIL. He acted as the head of the ISIL core's propaganda and the group's external operations wing. According to several Member States, he was directly involved in the planning of some major recent attacks, in particular the attacks in Paris in November 2015 and Brussels in March 2016. Furthermore, ISIL propaganda and its external operations structure took a double hit in August 2016, simultaneously losing its head, Adnani, and its physical operations base for external attack planning and propaganda in Manbij, Syrian Arab Republic, when ISIL lost control of the city. Nevertheless, the medium to long-term effects may not be strategic, given that responsibility for propaganda and external attack capabilities have been structured such that responsibility is transferred down the hierarchical chain.

19. Attacks perpetrated by ISIL in Lebanon[10] and Jordan demonstrate the group's operational ability to expand its immediate areas of attack by using links to existing local cells. Jordan was the site of several attacks or foiled plots in 2016. For example, ISIL claimed responsibility for a suicide assault at a Jordanian border crossing with the Syrian Arab Republic that killed seven members of the Jordanian security forces.

20. Since the Team's eighteenth report, ISIL has continued its financial decline and is operating on a "crisis" budget.[11] Consequently, it is having difficulty finding new recruits, the desertion rate has increased,[12] it has continued to levy arbitrary fines and fees and internal corruption/theft remains a significant problem.[13]

21. These significant setbacks notwithstanding, ISIL has sufficient funds to continue fighting and many of the remaining fighters are even willing to fight for free.[14] More than two years after the Team's initial report on ISIL (S/2014/815), the organization continues to be primarily dependent on the same two income streams: oil and extortion/"taxation".[15] According to Member State estimates, these streams continue to account for between 70 and 80 per cent of ISIL income.[16] Thousands of energy targets, such as facilities for producing or refining oil and tanker trucks, have been significantly damaged or destroyed through the air campaign.[17] Consequently,

[10] Member State information.

[11] Member State information.

[12] ISIL fighters' salaries, the group's biggest expenditure, have been reduced substantially (see S/2016/501, para. 9).

[13] Member State information. One Member State reported that two ISIL financial officials fled Iraq in July 2016 with $750,000 and $1 million from the group's funds.

[14] Member State information.

[15] Member State information.

[16] The remainder comprises antiquities looting, kidnapping for ransom, external donations, the sale of agricultural products and electricity and trafficking in persons. Information provided by Member States.

[17] Member State information.

oil production and income have decreased significantly,[18] prices within ISIL-controlled territory are fluctuating widely and there are fuel shortages.[19] Nonetheless, ISIL has been inventive in being able to adapt and repair damaged equipment and cannibalize structures for replacement parts.[20]

22. Although, as previously reported, ISIL has increased its efforts at extortion and "taxation" (see S/2016/629, para. 14), with the reduction in its "tax" base as it loses territory and the economic activity in ISIL-controlled territory continues to suffer, this income stream will decline as well.[21] Nevertheless, it is likely that the stream will not diminish entirely, given that the predecessor of ISIL, Al-Qaida in Iraq, also engaged in extortion.[22]

23. It also merits noting that, the sustained military pressure notwithstanding, ISIL has not abandoned its exploitation of cultural sites and has continued to invest scarce resources in excavating antiquities in the areas that it still controls.[23] A recently filed complaint in a national court indicates that ISIL had been marketing excavated antiquities for international sale in a professional manner.[24]

24. With its territory-generated income streams in decline, ISIL may step up its efforts to increase previously minor income streams and/or seek to develop new streams and is likely to return to more traditional "Al-Qaida-like" methods to raise funds.[25] One particular concern is kidnapping for ransom, which is viewed as an "attractive" revenue stream by terrorist groups because ransom payments can be quite substantial and are usually made in cash.[26] With the return of journalists and humanitarian workers to areas liberated from ISIL, the opportunities for kidnapping for ransom will increase.[27] External donations, including through the abuse of non-profit organizations, could assume greater importance as other income sources decline.[28] ISIL may also become more engaged in various types of smuggling (see S/2016/830, para. 6) and intensify links to criminal organizations.

25. It is crucial to keep in mind that as ISIL loses territory its spending rate will also decline because it will no longer need to maintain basic civilian infrastructure, meaning that it will be able to further stretch the funding that it does continue to receive (see ibid., footnote 4).[29]

[18] Information from a Member State indicates that the proceeds to ISIL from hydrocarbons may have decreased by as much as half in 2016.
[19] Member State information.
[20] Member State information.
[21] Member State information.
[22] Member State information.
[23] Member State information.
[24] United States Department of Justice, "United States files complaint seeking forfeiture of antiquities associated with the Islamic State of Iraq and the Levant (ISIL)", 15 December 2016.
[25] Member State information.
[26] Member State information.
[27] Member State information.
[28] Member State information.
[29] According to a Member State, ISIL has already been cutting its administrative and social expenses.

detonating cord and remote control switches in Programme Global Shield and the inclusion of United Nations sanctions provisions in the World Customs Organization/International Air Transport Association/International Civil Aviation Organization guidelines on advance passenger information, as well as with regard to combating the smuggling of antiquities illegally removed from Iraq and the Syrian Arab Republic.

82. The Team has identified additional challenges for customs agencies in implementing United Nations sanctions measures. This relates to the provision of identity data on individuals or entities to customs agencies. While customs agencies are generally entitled to request additional transaction-related documentation to check against the possible presence of individuals or entities acting on behalf of listed individuals or entities, this information must be checked against watch and risk lists. Accordingly, if customs administrations are not integrated into national counter-terrorism systems, their role will remain marginal. Without the names and addresses of the individuals or entities in question and their affiliates, it is impossible to detect and tackle the transport of their goods. The Team will work with the World Customs Organization, INTERPOL and Member States to develop options concerning potential improvements in exchanging information between counter-terrorism bodies and customs agencies.

D. Sanctions list

83. The Secretariat is currently finalizing the inclusion of links to INTERPOL-United Nations Security Council Special Notices in all entries on the ISIL (Da'esh) and Al-Qaida Sanctions List. The Team welcomes that work on this important additional feature, which not only will support awareness of the existence of the Special Notices among Member State officials and other relevant stakeholders, but also will enable swifter access to biometric data included in the Special Notices.

84. **To ensure that all stakeholders are aware of this new feature, the Monitoring Team recommends that the Committee mandate the Secretariat to disseminate information concerning this additional feature to all Member States upon the completion of the project.**

V. Legal challenges to the sanctions regime

85. In December 2016, the case brought by Mohammed Al Ghabra (QDi.228) challenging his listing at the European Union level was decided decisively in favour of the European Commission.[90] The Team had discussed the significance of the case in its prior reports (S/2015/441 and S/2014/770) because it concerns an individual who remains listed on the ISIL (Da'esh) and Al-Qaida Sanctions List, whereas prior cases challenging listings before European Union courts have often related to persons already delisted.

[90] Judgment of the General Court (Third Chamber), case T-248/13, *Mohammed Al-Ghabra v. European Commission* (supported by the United Kingdom of Great Britain and Northern Ireland and the Council of the European Union), 13 December 2016.

26. With the finances of the ISIL core in decline, ISIL affiliates are turning to local revenue sources, but struggling to develop internal revenue streams.[30]

2. Al-Nusrah Front for the People of the Levant

27. According to one Member State, the Al-Nusrah Front for the People of the Levant (ANF) (QDe.137) currently comprises some 10,000 individuals, including 5,000 foreign terrorist fighters, hailing mainly from the Maghreb, Gulf and Commonwealth of Independent States regions. Furthermore, many of its members are trained fighters, but only around 800 are fighting at any given time. On 28 July 2016, the ANF leader, Abu Mohammed al-Jawlani (QDi.317), publicly announced the group's split from Al-Qaida and "rebranding" as Jabhat Fatah al-Sham. Before this announcement, the Al-Qaida core issued a statement in which it seemingly agreed to the separation.[31] Several Member States assessed that the "rebranding" had been mainly for tactical reasons and did not signal a fundamental change in ideological outlook of this affiliate of Al-Qaida. ANF continues to derive its income mainly from external donations.[32] In addition, it benefits from kidnapping for ransom, extortion/"taxation" and war spoils.[33]

C. Arabian Peninsula

28. Within Yemen, Al-Qaida in the Arabian Peninsula (AQAP) (QDe.129) remains the larger and more influential group when compared with ISIL in Yemen. Member States assessed that AQAP currently commanded between 1,000 and 2,000 fighters and had the sympathy of 5,000 to 6,000 supporters. AQAP has developed deep ties within local tribes. For example, it was able to control the port town of Mukalla through a proxy local committee. The Mukalla episode also demonstrated that the organization had developed basic skills in governance.[34] After its withdrawal from Mukalla, AQAP has worked to establish itself in Shabwah, Ataq and Abyan.[35]

29. The military campaign early in August 2016 reduced the AQAP influence and strongholds in southern and eastern Yemen. AQAP fighters retreated from the strategic city of Azzan, Shabwah governorate, followed by another retreat, in mid-August 2016, from three main cities in Abyan governorate. Nevertheless, according to Member States, AQAP has not given up on re-establishing itself in southern Yemen and reclaiming lost strongholds. In December, the group claimed that it had retaken a "strategic" mountain in Bayda' governorate.[36]

[30] Member State information. In its previous report (S/2016/629, paras. 26, 32 and 55), the Team described funding from the ISIL core to a number of its affiliates.

[31] Audio statement by Ahmad Hasan Abu al-Khayr, identified as a deputy of Aiman Muhammed Rabi al-Zawahiri (QDi.006), released by Al-Manarah al-Bayda' Media Foundation on 28 July 2016. He explains that al-Jawlani is free to do "what is necessary to preserve the Syrian jihad".

[32] Member State information.

[33] Member State information.

[34] In comparison with the AQAP control of Zinjibar in 2011/12, when, according to several Member States, it alienated the local population.

[35] Member State information.

[36] AQAP Telegram channel, "Retaking control over the strategic Mount Kasad in Bayda' province", message disseminated on 13 December 2016.

86. Although the action brought by Mr. Al Ghabra against his initial European Union listing was dismissed as time-barred,[91] the Court did consider and dismiss one by one his pleas against the decision of the European Commission to maintain his European Union listing. The decision therefore includes language that is favourable to both the European Union implementation of the ISIL (Da'esh) and Al-Qaida sanctions regime[92] and the steps that the Security Council has taken over the years to reinforce due process. In particular, the Court acknowledged and appeared to view in a positive light both the exchanges between the Commission and the Committee concerning the reasons for the listing and the role of the Office of the Ombudsperson as a remedy afforded to those seeking delisting from the ISIL (Da'esh) and Al-Qaida Sanctions List.[93] The Court highlighted that the applicant had not used all the avenues of redress available to him. It considered that he was not obliged to approach the Ombudsperson, but that there was no "rational reason" for him not to do so, and concluded that that conduct did not "help to allay the reasonable suspicion" falling on him.[94] The Court also considered the reasons for the listing as communicated to the Commission by the Committee and found them to be sufficiently supported by the evidence presented to the Court (including supporting evidence presented by the United Kingdom) to have a "particularly solid factual basis".[95]

VI. Team activities and feedback

87. Between June and December 2016, the Team conducted 25 country and technical visits. It continued to promote the sanctions regime through its participation in 35 international conferences, meetings and workshops, including those of the United Nations Office on Drugs and Crime, the European Union, the Global Counterterrorism Forum and the Organization for Security and Cooperation in Europe. The Team also established contacts with the Collective Security Treaty Organization and the Shanghai Cooperation Organization. The Team held two regional meetings of intelligence and security services focusing on the threat posed by ISIL, Al-Qaida and associated individuals and entities in South-East Asia and West Africa. The Team raised awareness among the participating services concerning the potential use of the sanctions regime as an integral part of a national counter-terrorism strategy and encouraged more intensive sharing of information in the region to counter the threat.

88. The Team continued its engagement with entities and associations in the financial, energy, antiquities trading and information and communications technology sectors. The Team raised awareness of the arms embargo at a side event on improvised explosive devices of the First Committee of the General Assembly. The Team also participated in several workshops and a special meeting organized by

[91] Ibid., para. 45.

[92] One negative aspect of the decision was that the Court found that the time that it took for the Commission to complete its review of the listing (more than four years) was not reasonable. That conclusion was not, however, dispositive on the case because the Court did not find that the delay compromised the applicant's ability to defend himself. Ibid., paras. 56 and 61-63.

[93] Ibid., paras. 75, 177-179 and 190-191.

[94] Ibid., paras. 177-181.

[95] Ibid., para. 177.

30. AQAP has also been very active in terms of propaganda, mainly through its Arabic-language magazine, *Masra*.[37] On 14 July 2016, it released a video showing its so-called special forces training at the Hamza al-Zinjibari training camp in southern Yemen. Two senior AQAP members, Ibrahim al-Qosi (not listed) and Khaled Batrafi (not listed), pose in the video, stating that "thousands of AQAP fighters have been trained in these types of training camps, which has had a wide impact in different fronts" and pledging to be the "successors to Afghanistan training camps".[38]

31. AQAP continues to receive significant donations, including under the cover of charitable organizations,[39] and was able to gain significant revenue through its control of Mukalla, including by extorting businesses (see S/2016/629, paras. 24-25).

32. ISIL failed to build on its early successes in Yemen and currently comprises around 400 to 500 fighters.[40] In addition, it is at risk of splitting into numerous subgroups owing to continuing conflicts with tribes.[41] That relative weakness notwithstanding, ISIL has increased its targeting of Yemeni forces. The Sawlaban military base in the southern city of Aden was targeted twice in December 2016. ISIL claimed the killing of hundreds of members of the security forces in a suicide bombing.[42] There are indications that funds have reached ISIL in Yemen from the ISIL core in Iraq and the Syrian Arab Republic through couriers.[43]

33. As previously outlined (see ibid., para. 28), a number of Member States continue to have concerns owing to the continuing existence of ISIL cells on the wider Arabian Peninsula. In Saudi Arabia, a plan to target the King Abdullah Sports City stadium in Jeddah by an ISIL-directed cell was thwarted in October 2016. A second cell planned attacks targeting security forces in Shaqra', north-west of Riyadh; both cells apparently received direct instructions from the ISIL core leadership.[44]

D. North Africa

34. The reporting period saw increased pressure on ISIL in Libya, pushing most fighters out of Sirte. This removed one of the significant strongholds of the

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[37] Alessandria Masi, "Al Qaeda winning hearts and minds over ISIS in Yemen with social services", *International Business Times*, 7 April 2016. Available from www.ibtimes.com/al-qaeda-winning-hearts-minds-over-isis-yemen-social-services-2346835.

[38] Bill Roggio and Caleb Weiss, "AQAP details 'special forces' training camp", *Long War Journal*, 14 July 2016. Available from www.longwarjournal.org/archives/2016/07/aqap-details-special-forces-training-camp.php.

[39] Member State information. See also United States Department of the Treasury, "Treasury designates key facilitators and front company providing support to Al-Qaida in the Arabian Peninsula", 7 December 2016.

[40] Member State information.

[41] Member State information.

[42] "Breaking: killing more than 70 apostates from Yemeni security in a martyrdom-seeking operation in north-eastern Aden", communiqué issued on 18 December 2016.

[43] Member State information.

[44] "Saudi stadium terror plot thwarted", *Al Arabiya English*, 30 October 2016. Available from http://english.alarabiya.net/en/2016/10/30/Saudi-foils-terror-attack-near-stadium-.html.

organization outside Iraq and the Syrian Arab Republic. The setback has, however, been counteracted by the increased presence and activity of ISIL in the Sahel, albeit currently without territorial control. At the same time, Al-Qaida affiliates continue to show resilience in North Africa, the growing competition from ISIL and counter-terrorism efforts notwithstanding.

35. In Libya, Sirte was retaken from ISIL[45] after an intensive military offensive that lasted for several months. This development considerably diminishes the immediate threat posed by the group in Libya and impedes its access to resources and operational space. Nevertheless, Member States highlighted that the threat to Libya and neighbouring countries was far from eliminated. As highlighted in the Team's eighteenth report, the defeat in Sirte has led fighters to disperse, thus diffusing the threat throughout the country and beyond. Estimates vary as to the number of ISIL fighters dispersed in Libya after the takeover of Sirte; Member States assess their numbers to range from several hundred to as many as 3,000.[46]

36. These latest developments could also lead ISIL to adopt a classic Al-Qaida-style modus operandi in Libya. In this context, a Member State reported a rapprochement and initial coordination between ISIL and Ansar Al Charia Benghazi (QDe.146), an Al-Qaida affiliate. ISIL in Libya has maintained operational capabilities to wage attacks, as shown by the suicide attack in Benghazi on 18 December 2016 that killed several soldiers.[47] Member States reported that the ISIL leadership within Libya had relocated to the Awbari area in the south-west and to the south.

37. It is not clear how ISIL in Libya continues to generate revenue. When it held territory, it was able to rely on extortion and "taxation" (see S/2016/629, para. 31); however, for the moment the group has mostly dispersed into the desert and is able only to tap into smuggling routes.[48]

38. Tunisia remains a target for operations and propaganda of both ISIL and the Organization of Al-Qaida in the Islamic Maghreb (AQIM) (QDe.014). The reporting period has seen a continuation of attacks against the Tunisian army, albeit of a decreasing intensity. On 30 August 2016, the Tunisian branch of AQIM, the Uqba bin Nafi Battalion (not listed), claimed an attack against the Tunisian army on Jebel Semmama.[49] Furthermore, on 11 December, the group claimed to have wounded Tunisian soldiers using a mine on Jebel Ouargha.[50] In addition to these attacks, the AQIM propaganda demonstrates the group's clear intent to intensify its campaign in Tunisia. A video by its media wing, the Al-Andalus Media Foundation, broadcast on

[45] "Libye: Syrte officiellement libérée de l'EI", *Le Figaro*, 17 December 2016. Available from www.lefigaro.fr/flash-actu/2016/12/17/97001-20161217FILWWW00159-libye-syrte-officiellement-liberee-de-l-ei.php.

[46] Member State information.

[47] "Suicide bomber kills seven in Libyan city of Benghazi: officials", Reuters, 18 December 2016. Available from www.reuters.com/article/us-libya-security-benghazi-idUSKBN1470QS.

[48] Member State information.

[49] Communiqué released on Twitter on 29 August 2016.

[50] "Detonating a mine on Mount Ouargha near the city of El Kef", communiqué released on Telegram, 11 December 2016.

social media on 3 December 2016, threatens more attacks against security forces and shows preparations by members of the Uqba bin Nafi Battalion.[51]

39. The less-intense ISIL activity in Tunisia during the reporting period should not be interpreted as an elimination of the group's threat there. ISIL killed a soldier in his home in Kasserine on 6 November 2016[52] and claimed an improvised explosive device attack that wounded 12 soldiers in the same region on 15 November.[53] According to Member States, ISIL fighters leaving Libya, in particular Tunisian returnees, will remain a major risk and challenge for the country in the coming months.

40. Ansar Bayt al-Maqdis (not listed) has continued its campaign of attacks in the Sinai, mostly targeting members of the army and security forces, but also civilians. On 11 December 2016, a suicide attack in a cathedral in Cairo killed 25 people. ISIL claimed the assailant as one of its fighters and threatened to wage more attacks in Egypt.[54] The Egyptian security forces have been intensifying their counter-terrorism campaign and succeeded in eliminating the leader of the group in the Sinai, Abu Duaa al-Ansari, along with 45 other fighters, in targeted air strikes in the southern Sinai in the middle of 2016.[55]

41. According to Member States, the declaration by Ansar Bayt al-Maqdis of its loyalty to ISIL at the end of 2014 is a win-win deal, allowing ISIL to take credit for the group's operations and the latter to raise its profile. A faction of the group has moved to Libya, rebranded and associated itself with Al-Qaida affiliates there. A Member State also reported that Ansar Bayt al-Maqdis members had received training in Iraq and the Syrian Arab Republic before returning to Egypt.

E. West Africa and the Sahel

42. According to Member States, Al-Qaida affiliates continue to be active in northern Mali and use the area as a sanctuary to conduct attacks against the Malian security forces and international targets, seizing arms and military equipment. In addition, AQIM, the original faction of Al Mourabitoun (QDe.141), Ansar Eddine (QDe.135) and its affiliate the Front de libération du Macina (not listed), not only have been able to maintain their presence in the area between the cities of Gao, Timbuktu and Kidal but also have expanded to the centre and the south of Mali, especially in the regions of Mopti and Ségou. Furthermore, they conducted attacks in neighbouring countries.[56] Nevertheless, it currently appears that the merger between AQIM and parts of Al Mourabitoun (see S/2016/629, para. 34) has not translated into major operational or strategic shifts on the ground. According to

[51] *Shade of the Sword Series: Lions of al-Qayrawan*, video released on social media on 3 December 2016.

[52] Amaq News Agency press release on social media on 6 November 2016.

[53] Amaq News Agency press release on social media on 15 November 2016.

[54] "Breaking: killing and wounding nearly 80 crusaders in martyrdom-seeking operation in downtown Cairo", communiqué released on social media on 13 December 2016.

[55] "Egypt says kills leader of ISIS Sinai branch suspected of downing Russian plane", *Russia Today*, 4 August 2016. Available from www.rt.com/news/354643-egypt-isis-sinai-leader/.

[56] Following attacks against hotels in Bamako, Ouagadougou and Grand-Bassam (Côte d'Ivoire) in 2015 and 2016.

several Member States, some of these groups benefit from trafficking in vehicles[57] and gasoline, as well as from kidnap for ransom.

43. According to several Member States, ISIL is developing its profile in West Africa and the Sahel, as demonstrated by recent ISIL-related attacks in Burkina Faso and the Niger.[58] On 30 October 2016, the Amaq News Agency released an announcement concerning the loyalty pledge to ISIL by a splinter faction of Al Mourabitoun, under the leadership of Lehbib Ould Ali, also known as Adnan Abu al-Walid al-Sahrawi.[59]

44. Member States do not, however, yet see that the ISIL top leadership has accepted this pledge and therefore assess that the splinter faction presents an enhanced risk because it may feel under pressure to conduct major attacks to demonstrate its "value" to the ISIL core. Indeed, according to one Member State, the recent attacks in Burkina Faso[60] have been claimed by this new ISIL faction, and recent attacks in the Niger could be attributed to it as well.

45. Several Member States explained that Boko Haram[61] had split into two factions. One continues to be led by Abubakar Mohammed Shekau (QDi.322). The second is led by the former spokesperson of the group, Abu Musab al-Barnawi (not listed). Member States assess that the al-Barnawi faction aims to maintain its affiliation with ISIL as the group's "West Africa province".[62] According to Member States, al-Barnawi is highlighting his leadership claim by emphasizing his close ideological connection to the late founder of Boko Haram, Mohammed Yusuf, and by accusing Shekau of excessive brutality and of committing indiscriminate attacks. In addition to these internal rifts, Member States highlighted that the Shekau faction was under sustained military pressure and contained to the south of Borno State and in the Sambisa forest.

46. Several Member States reported that, owing to the internal rifts and the sustained military pressure, some fighters had decided to leave the group, given that their leaders were no longer able to pay their salaries. Boko Haram continues to be primarily funded locally through donations by local sympathizers, extortion and protection rackets, robbery and looting, cattle rustling, engaging in commercial activities that appear legitimate on the surface (such as sponsoring hawkers) and

[57] One Member State in West Africa is investigating the case of a dealer suspected of supplying pickups to ISIL and Al-Qaida affiliates. Other Member States raised concerns regarding the supply of similar types of vehicle to listed entities in other conflict zones.

[58] Member State information.

[59] Distributed by Telegram. He had once before individually pledged allegiance to ISIL, in May 2015.

[60] Attacks against the customs office in Markoye on 1 September and security forces in Intangom on 12 October 2016.

[61] Listed as Jama'atu Ahlis Sunna Lidda'awati Wal-Jihad (QDe.138).

[62] Indeed, the *Naba* newspaper, affiliated with ISIL, published an interview with al-Barnawi on Telegram and Twitter on 2 August 2016 in which it identified him as the "governor" of the ISIL "West Africa province".

kidnapping for ransom.[63] Both factions are suffering financially and many of their attacks are supply runs to steal food, equipment and livestock.[64]

47. Nevertheless, Boko Haram remains a serious security challenge. One Member State reported that the group had around 5,000 fighters in total at its disposal. Several Member States in the region reported that some of their nationals had joined Boko Haram in the past and that they were assessing that those foreign terrorist fighters might leave the group and return home, presenting a security risk. Most Boko Haram fighters have been recruited locally, however, with some foreign fighters recruited from the same tribal communities as their Nigerian counterparts. Several Member States also highlighted that Boko Haram had resorted to forced recruitment among local communities. The exploitation of women and minors as suicide bombers by the group is continuing and of concern to Member States.[65]

48. Several Member States voiced concern about the continuing attempts by Boko Haram to expand its area of attacks beyond Nigeria, noting that the group was using improvised explosive devices and suicide attacks for sporadic operations abroad. Some Member States in the region warned that Boko Haram members might infiltrate flows of displaced persons and migrants to move into countries bordering Nigeria.

F. East Africa

49. An Al-Qaida affiliate, Al-Shabaab (SOe.001), remains resilient in East Africa and has support, facilitation and potential attack networks beyond its territory in Somalia. Member States emphasized that it relied on financial, logistical and ideological guidance from AQAP. Al-Shabaab leaders continue to implement stringent measures against defectors and ISIL sympathizers (see S/2016/629, para. 43). A Member State reported that Al-Shabaab had thus far eliminated most ISIL sympathizers in the cell in southern Somalia and those left were in communication with ISIL fighters based in Puntland and were seeking to join them, whereas some had dispersed to other locations.

50. Al-Shabaab has, however, been unable to suppress the ISIL cell in Puntland, which remains active. For example, on 26 October 2016, the cell briefly seized the port city of Qandala, which is the home town of its leader, Sheikh Abdiqadir Mumin (not listed). Member States assess that recruitment into ISIL is influenced by Somali clan dynamics, with members of the Darod clan being more sympathetic to ISIL and forming the bulk of its membership.[66]

51. ISIL has enhanced efforts to recruit Al-Shabaab fighters, focusing on mid-level members and Amniyat operatives. In addition, other lower-level fighters within Al-Shabaab are interested in joining, mainly driven by the potential for higher

[63] Member State information and Financial Action Task Force, Intergovernmental Action Group against Money Laundering in West Africa and Task Force on Money Laundering in Central Africa, *Terrorist Financing in West and Central Africa* (Paris, Financial Action Task Force, 2016), pp. 10-17 and 33.

[64] Member State information.

[65] Member State information.

[66] Abdulqadir Mumin belongs to the Marjerteen subclan, which is part of the Darod clan.

salaries. A Member State indicated that ISIL paid its fighters around $80 per month for a married fighter and $40 for a single fighter. These salaries are significantly higher than those of Al-Shabaab, which pays a flat rate of about $30 per fighter.[67]

52. The number of foreign terrorist fighters from outside East Africa operating in Somalia has decreased. This is attributable to the internal wrangles within Al-Shabaab, which targets fighters from outside the region for elimination. Nevertheless, the flow of fighters from neighbouring countries to Somalia is steady, with some 1,500 coming from Member States in the region.[68] A Member State informed the Team that the movement of most foreign terrorist fighters in the region was facilitated by human smuggling networks.

G. South Asia

53. The Team noted in its seventh report pursuant to resolution 2255 (2015) (S/2016/842) that, during the past 12 months, ISIL had lost a considerable amount of territory in eastern Afghanistan. At the high point of its influence in 2015, ISIL had been able to temporarily control up to nine districts in Nangarhar Province. Nevertheless, its influence has since been reduced to, at most, three and a half districts. The group's ability to take and hold territory was also affected by clashes with Taliban fighters competing for local influence and especially for resources, funding and manpower. Member States confirmed that the ISIL leader in Afghanistan, Hafiz Saeed Khan (not listed), had been killed by an air strike on 26 July 2016.

54. Several Member States reported that the number of ISIL fighters in eastern Afghanistan had fallen to about 1,600,[69] of whom around 700 were foreigners, located mainly in the districts of Deh Bala, Kot, Achin and Naziyan in Nangarhar Province. About 200 were based in Kunar Province. Afghan officials explained that ISIL maintained the ability to reorganize and reinfiltrate the areas that it had lost in 2016. Indeed, one Member State recently reported that ISIL had around 2,000 to 3,500 fighters overall in Afghanistan and that, the heavy losses sustained in 2016 notwithstanding, that number had not fallen significantly.[70] ISIL continues to be able to recruit from the Afghanistan/Pakistan border region, and the increasing refugee population in Afghanistan may provide a fertile recruitment group. One Member State noted that ISIL was aware of that possibility. Very few ISIL returnees or relocators of various nationalities from Iraq and the Syrian Arab Republic have arrived in Afghanistan.

55. ISIL is struggling financially in Afghanistan, where it has resorted to extortion of the local population and has had to stop paying its fighters at times. Nonetheless, the lack of funds does not appear to hamper its ambition, with Member States noting that it appears to be well equipped and uses military-grade explosives for improvised explosive device attacks in Kabul.

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[67] Member State information.

[68] Member State information.

[69] See S/2016/629, para. 18, in which the number of fighters was estimated at fewer than 3,500.

[70] According to Member States, some ISIL fighters are operating in Kunar, Nuristan, Laghman, Badakhshan, Baghlan, Kunduz and Zabul Provinces. In the northern part of Afghanistan, ISIL cooperates with Jundallah (not listed), an organization linked to Tehrik-e Taliban Pakistan.

56. During the reporting period, Al-Qaida fighters and, in particular, cells identifying themselves as loyal to Al-Qaida in the Indian Subcontinent have taken on a more active supporting role in Afghanistan for Taliban groups. Several Member States explained that Al-Qaida fighters acted as specialized instructors for Taliban groups, in particular where the design of improvised explosive devices was concerned. In addition to Al-Qaida in the Indian Subcontinent, Member State interlocutors explained that fighters from the Islamic Movement of Uzbekistan (QDe.010) continued to fight in the north of Afghanistan as a distinctly identifiable group. According to one Member State, the Islamic Movement of Uzbekistan began to also use an alternative name, "Islamic Movement of Turkistan", and splinter groups of the movement appear to be attempting to penetrate into Kyrgyzstan, Tajikistan and other Central Asian States.

57. Fighters loyal to Al-Qaida-affiliated groups, including Lashkar-e-Tayyiba (QDe.118) and Tehrik-e Taliban Pakistan (QDe.132), who had relocated into Afghanistan to flee from military pressure upon them in Operation Zarb-e-Azab (see S/2015/648, para. 2), continue to fight within Taliban groups. One Member State reported that Harakat-ul Jihad Islami (QDe.130) was active in areas bordering Bangladesh and that it cooperated with Al-Qaida in the Indian Subcontinent and Lashkar-e-Tayyiba within the region. According to a Member State, six suspected Harakat-ul Jihad Islami militants were detained in Dhaka in February 2016 for planning to conduct attacks.

58. One Member State reported that the Al-Qaida core leaders in the region had been decimated over the past nine years and reduced to acting as figureheads. The Al-Qaida leader, Aiman Muhammed Rabi al-Zawahiri (QDi.006), is not sending people or money to affiliates and finds it very hard to communicate with them. While the Al-Qaida core knows that it cannot leave the area, it remains hopeful that the Taliban will be successful and that it can "piggyback" on that success.

H. South-East Asia

59. The situation in South-East Asia has continued to be of significant concern, with ISIL viewing the region, in particular the southern Philippines, as another potential area of operations. Although, as at the time of writing of the present report, ISIL had not officially declared a "wilayat" in South-East Asia,[71] Isnilon Totoni Hapilon (QDi.204) had been anointed the ISIL "emir" in the Philippines.[72] In the past year, ISIL has increased its focus on South-East Asia as a potential recruitment ground, with local-language propaganda aimed at the region (see S/2016/830, para. 20), and Member States have indicated that the threat from ISIL is gaining momentum. According to a Member State, the organization's release of propaganda focused on the region[73] indicates that ISIL had been seeking to intensify its recruitment and appeal to its sympathizers in South-East Asia.

[71] According to a Member State, the prerequisites for becoming a "wilayat" have not yet been met in the Philippines.

[72] Hapilon leads the Basilan-based faction of the Abu Sayyaf Group (QDe.001) and the umbrella group "Dawahtul Islamiyah Waliyatul Mashriq" (not listed). Information provided by a Member State.

[73] Including videos featuring South-East Asian fighters and publications in local languages.

60. One concern is the role of foreign terrorist fighters in the Syrian Arab Republic and Iraq in directing and financing terror attacks in the region. Three prominent Indonesian foreign terrorist fighters with ISIL in the Syrian Arab Republic (Bahrun Naim (not listed), Bahrumsyah (not listed) and Abu Jandal (not listed))[74] who have links to networks and individuals in Indonesia, including Abu Bakar Ba'asyir (QDi.217) and Aman Abdurrahman (not listed) (the imprisoned extremist cleric), are, or have been, involved in planning attacks.[75] ISIL-related attacks have already occurred in Malaysia, Indonesia and the Philippines. These include the bombing in Jakarta in January 2016 perpetrated by members of a group affiliated with ISIL; a suicide bombing at a police station in Central Java, Indonesia, in July 2016, perpetrated by an individual affiliated with Bahrun Naim; the Movida bombing in Malaysia in July 2016, which was directed by a Malaysian foreign terrorist fighter in the Syrian Arab Republic, Muhammad Wanndy Muhamad Jedi (not listed); and the Davao City market bombing in the Philippines in September 2016, which was an example of the cooperation between Hapilon's Abu Sayyaf Group (QDe.001) faction, the Maute Group (not listed) and Ansarul Khilafah Philippines (not listed).[76] Furthermore, funds for the attack of January 2016 in Jakarta were transferred from the Syrian Arab Republic using an international money remitter.[77]

61. Funding for terrorist groups in the region has also been obtained through criminal activities such as kidnapping for ransom,[78] the smuggling of gems, passport forgery and automobile and motorcycle theft; online fundraising through small shops; the solicitation of donations on social media (using numerous bank accounts to collect and move small sums); and the abuse of charitable organizations.[79]

62. Returnees are also a concern for South-East Asian Member States. Most foreign terrorist fighters from South-East Asia have thus far remained in the Syrian Arab Republic and Iraq.[80] Nonetheless, the threat persists that the number of returnees will increase and that they will return with enhanced capabilities and the motivation to conduct attacks. These fighters could seek refuge in the southern Philippines, and, as was previously the case, the collaboration between local extremists and foreign terrorist fighters could have dire consequences.[81]

63. South-East Asia is already a destination for other foreign terrorist fighters. Foreign terrorist fighters of the Chinese Uighur minority linked to the Eastern Turkistan Islamic Movement (ETIM) (QDe.088) have been arrested while seeking

[74] According to a Member State, Abu Jandal may have been killed.
[75] Member State information.
[76] Member State information.
[77] Member State information. See also S/2016/830, para. 21.
[78] Kidnapping for ransom has been the preferred method for the Abu Sayyaf Group to raise funds for many years. Most recently, however, the Sulu-based faction of the group led by Radulan Sahiron (QDi.208), who has not joined ISIL, has been more engaged in kidnapping for ransom operations. Nonetheless, Hapilon's faction benefits from the kidnapping for ransom activities of Sahiron's faction. Information provided by a Member State.
[79] Member State information.
[80] Member State information.
[81] Member State information.

to join, or been killed while embedded with, local terrorists in Poso, Indonesia,[82] while in the southern Philippines the presence of foreign terrorist fighters of Malaysian, Indonesian and even Moroccan origin has been confirmed.[83] An additional consideration is that, as ISIL continues to lose ground in the Syrian Arab Republic and Iraq and many non-South-East Asian foreign terrorist fighters choose not to return to their countries of origin, South-East Asia may become a preferred relocation destination, thereby resulting in the conflict being "exported" to the region. According to a Member State, there is already a trend of non-South-East Asian foreign terrorist fighters requesting to be deported to South-East Asian countries for which they do not have to obtain a visa.

III. Impact assessment

A. Impact on Islamic State in Iraq and the Levant and the Al-Nusrah Front for the People of the Levant

64. In its eighteenth report, the Team described the international efforts taken to cut ISIL off from the international financial sector, including the action by the Government of Iraq to publish lists of compromised money exchanges and transfer companies in Iraq (S/2016/629, para. 54). According to a Member State, the publishing of these lists has resulted in ISIL being denied millions of dollars in funding. In addition, in December 2016, a Member State domestically designated money services businesses that were conducting transactions on behalf of ISIL.[84]

65. In addition, the Team has continued to highlight that ISIL is regularly using specifically established media outlets such as the Amaq News Agency, the Furqan media agency, the Hayat media centre, the Ajnad Media Foundation and the I'tisam Media Foundation to disseminate its messages, appeal to followers and inspire attacks. These outlets therefore significantly facilitate ISIL operations.

66. **To increase efforts to deny ISIL access to the international financial system in line with resolution 2199 (2015) and to disrupt ISIL operations, the Monitoring Team recommends that the Committee write to Member States to encourage those that have not yet done so to propose listings to the Committee targeting facilitators such as financial institutions knowingly conducting transactions on behalf of ISIL and the ISIL main communications outlets.**

67. During the reporting period, the Team continued to work with Member States, the International Criminal Police Organization (INTERPOL) and the United Nations Educational, Scientific and Cultural Organization (UNESCO), focusing on disrupting the ability of ISIL to benefit from the smuggling of antiquities and cultural goods. Several Member States reported to the Team and UNESCO investigations and

[82] It merits noting that Abu Wardah, also known as Santoso (not listed), the notorious Poso-based leader of Mujahidin Indonesian Timur (MIT) (QDe.150), was killed in an operation by Indonesian security forces.

[83] A Moroccan bomb-making instructor was killed in the southern Philippines. Member State information.

[84] United States Department of the Treasury, "Treasury sanctions senior ISIL financier and two money services businesses", 13 December 2016.

seizures of antiquities from Iraq and the Syrian Arab Republic.[85] One Member State filed a civil forfeiture complaint relating to a gold ring, two gold coins and a carved stone trafficked by ISIL whose recovery is being pursued and which are believed to be worth hundreds of thousands of dollars.[86] According to Member States and UNESCO, the issues outlined in the Team's special report on the challenges that business entities face (S/2016/213) remain. These relate particularly to the identification of antiquities as originating from Iraq and the Syrian Arab Republic and the dedication of specialized law enforcement capacity (ibid., paras. 30-31). The continued flow of information concerning this issue is crucial for the work of the Team and for UNESCO.

68. **The Monitoring Team recommends that the Committee write to Member States to encourage those that have not yet done so to continue to report seizures and criminal investigations concerning antiquities illegally removed from Iraq after 2003 and the Syrian Arab Republic after 2011 to the Committee and relevant stakeholders, including UNESCO and the Team.**

69. Several Member States highlighted that investigations concerning smuggled antiquities would benefit from a better understanding of the financial transactions involved in the transport and sale of such antiquities. A potential first step could be for Member States to engage with their antiquities sectors, as appropriate, when conducting their national risk assessments pursuant to recommendation 1 of the Financial Action Task Force recommendations.

70. **The Monitoring Team recommends that the Committee write to Member States to encourage those that have not yet done so to consider, as appropriate, the terrorist financing streams raised in resolutions 2199 (2015) and 2253 (2015), including those that relate to the smuggling of antiquities, when conducting their national risk assessments pursuant to recommendation 1 of the Financial Action Task Force recommendations.**

71. The Team also continued its discussions with Member States and relevant stakeholders concerning the unintended consequences of the implementation of sanctions measures.[87] One Member State, which has conducted in-depth research into the challenges that humanitarian actors face, emphasized that derisking[88] by commercial banks remained a significant challenge for the humanitarian sector operating in areas such as Iraq and the Syrian Arab Republic, which are considered "high-risk" areas. This increasingly forces humanitarian actors to use informal channels to transfer money for their operations, preventing adequate visibility for relevant Member State authorities regarding the respective money flows and also providing potential cover for nefarious actors wishing to misuse the humanitarian sector for the financing of terrorism. The Team will continue to work with Member

[85] According to the available data, globally, the number of criminal investigations by Member States concerning this issue has reached around 150.

[86] United States Department of Justice, "United States files complaint seeking forfeiture of antiquities associated with the Islamic State of Iraq and the Levant (ISIL)".

[87] Paragraph 30 of resolution 2199 (2015).

[88] The Financial Action Task Force characterizes derisking as the phenomenon of financial institutions terminating or restricting business relationships with clients or categories of clients to avoid, rather than manage, risk. To address derisking, it issued guidance on correspondent banking in October 2016.

States and other relevant stakeholders to monitor this phenomenon and, if appropriate, make recommendations in its next report.

72. The "rebranding" of ANF as Jabhat Fatah al-Sham may pose a challenge to the implementation of the sanctions regime. According to the assessment of two Member States (see para. 27 above), this cynical "rebranding" was aimed at enabling the group to cooperate with other groups within the Syrian Arab Republic and could make it more difficult to distinguish that group from others.

B. Impact on the flow of foreign terrorist fighters

73. For the first time since 2014, all Member States reporting to the Team have emphasized that the flow of foreign terrorist fighters to Iraq and the Syrian Arab Republic has considerably slowed. While other zones of conflict, such as in parts of Africa, appear to continue to attract such fighters, the numbers in these regions have always been significantly lower than the flows towards the ISIL core in the past.

74. One Member State reported that it anticipated that many foreign terrorist fighters were likely to remain in Iraq and the Syrian Arab Republic, given that those who intended to leave had in many cases already done so. According to various Member States, some of the remaining fighters are likely to be killed during fighting, given the high casualty rate among fighters. Others will relocate within ungoverned spaces and move to other groups as ISIL is weakened militarily. These "relocators" will present a significant security risk because it is expected that they will be more sustainably radicalized than other returnees who have already left the conflict zone.

75. One issue highlighted by Member States was the return of dual nationals. Several Member States indicated that they were generally aware that some of their nationals holding a second nationality had become foreign terrorist fighters and might currently be in Iraq or the Syrian Arab Republic. Nevertheless, because those individuals left from the country of their second nationality, their identities are not necessarily shared among all relevant Member States. This presents a potential security risk if they decide to leave the conflict zone and not return to the country whence they began their journey, but to the country of their second nationality. Information exchange between Member States concerning the identity of foreign terrorist fighters with more than one nationality would be an effective measure to mitigate this risk.

76. **The Monitoring Team recommends that the Committee write to Member States to encourage those that have not yet done so, in accordance with their national laws and regulations, and if they are aware that foreign terrorist fighters hold more than one nationality, to engage with the respective Member States to ensure that the identities of potential returnees are exchanged.**

77. Several Member States pointed out that the verification of national identity cards presented a particular challenge where high-risk returnees and potential foreign terrorist fighters were concerned. Such individuals are likely to use false or altered identity documents. INTERPOL maintains the Electronic Documentation and Information System on Investigation Networks database, which contains

"images, descriptions and security features of genuine travel and identity documents issued by countries and international organizations".[89]

78. **To raise awareness among Member State officials concerning the Electronic Documentation and Information System on Investigation Networks database maintained by INTERPOL, the Monitoring Team recommends that the Committee write to Member States to encourage those that have not yet done so to encourage their relevant officials to explore the use of the database for the verification of the identification documents of returnees and potential foreign terrorist fighters.**

IV. Sanctions measures

A. Travel ban

79. The Team has continued to engage with Member States and relevant international organizations, in particular the International Civil Aviation Organization, the International Air Transport Association, the Counter-Terrorism Executive Directorate and the Counter-Terrorism Implementation Task Force, to raise awareness of the ISIL (Da'esh) and Al-Qaida Sanctions List. In this regard, the Team participated in several workshops for Member State officials. The Team also participated in the International Civil Aviation Organization symposium on the Traveller Identification Programme and the meeting of the Facilitation Panel, held in Canada, to raise awareness of paragraph 9 of resolution 2178 (2014). The Team also participated in a session of the foreign terrorist fighter working group of the international counter-ISIL coalition.

B. Asset freeze

80. The Team continued to cooperate with the Financial Action Task Force and its regional-style bodies, as well as relevant private sector stakeholders, to raise awareness of the sanctions regime. In addition, the Team provided support in the organization of, and participated in, the joint special meeting on terrorist financing of the Security Council Committee pursuant to resolutions 1267 (1999), 1989 (2011) and 2253 (2015) concerning ISIL (Da'esh), Al-Qaida and associated individuals, groups, undertakings and entities and the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism, held in December 2016. The meeting brought together representatives of the Financial Action Task Force and relevant Member State officials. The Team also participates in meetings of the counter-ISIL finance group of the international counter-ISIL coalition.

C. Arms embargo

81. Over the past few years, the Team has cooperated closely with the World Customs Organization on a range of issues, such as the inclusion of detonators,

[89] See www.interpol.int/INTERPOL-expertise/Databases.

the ICT for Peace Foundation and the Counter-Terrorism Committee Executive Directorate. During the events, the Team raised awareness of the provisions of the sanctions regime and the ISIL (Da'esh) and Al-Qaida Sanctions List. The Team cooperates closely with the Counter-Terrorism Committee Executive Directorate in the production of mandated reports of the Secretary-General under paragraph 97 of resolution 2253 (2015). The Team remains an active member of the Counter-Terrorism Implementation Task Force, participating in its working groups.

89. The Team welcomes feedback on the present report through 1267mt@un.org.

Annex I

Litigation by or relating to individuals on the sanctions list

1. The legal challenges involving individuals and entities on the ISIL (Da'esh) & Al-Qaida Sanctions List, or whose names the Committee has removed therefrom, known to the Team to be pending or to have been recently concluded are described below.

European Union

2. The action brought by Mohammed Al Ghabra (QDi.228) against the European Commission seeking annulment of the restrictive measures adopted against him was dismissed by the General Court because it was time barred.[a] The applicant can choose to lodge an appeal.

3. The action brought by Al-Bashir Mohammed Al-Faqih, Ghunia Abdrabbah, Taher Nasuf and Sanabel Relief Agency Limited (all delisted) against the European Commission was dismissed by the General Court.[b] The General Court found that the Commission had carried out its obligation to carefully and impartially examine whether the reasons for listing are well founded in light of the comments made by the parties and the evidence provided. The General Court also found that Sanabel Relief Agency did not have an interest in the proceedings because it had ceased to exist. The case has been appealed and is pending before the European Court of Justice.[c]

Pakistan

4. The action brought by the Al Rashid Trust (QDe.005) against the application of the sanctions measures against it remains pending in the Supreme Court of Pakistan on appeal by the Government from an adverse decision in 2003. The similar challenge brought by Al-Akhtar Trust International (QDe.121) remains pending before a provincial high court.[d]

5. In addition to the two cases mentioned above, a trustee of Pakistan Relief Foundation (listed as an alias of Al-Akhtar Trust International) has challenged the freezing of his bank account.[e]

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[a] Judgment of the General Court (Third Chamber), case T-248/13, *Mohammed Al-Ghabra v. European Commission* (supported by the United Kingdom of Great Britain and Northern Ireland and the Council of Europe), 13 December 2016.

[b] Judgment of the General Court (Seventh Chamber), case T-134/11, *Al-Faqih and Others v. Commission*, 28 October 2015.

[c] C-19/16P, *Al-Faqih and Others v. Commission*.

[d] Information provided by Pakistan.

[e] Information provided by Pakistan.

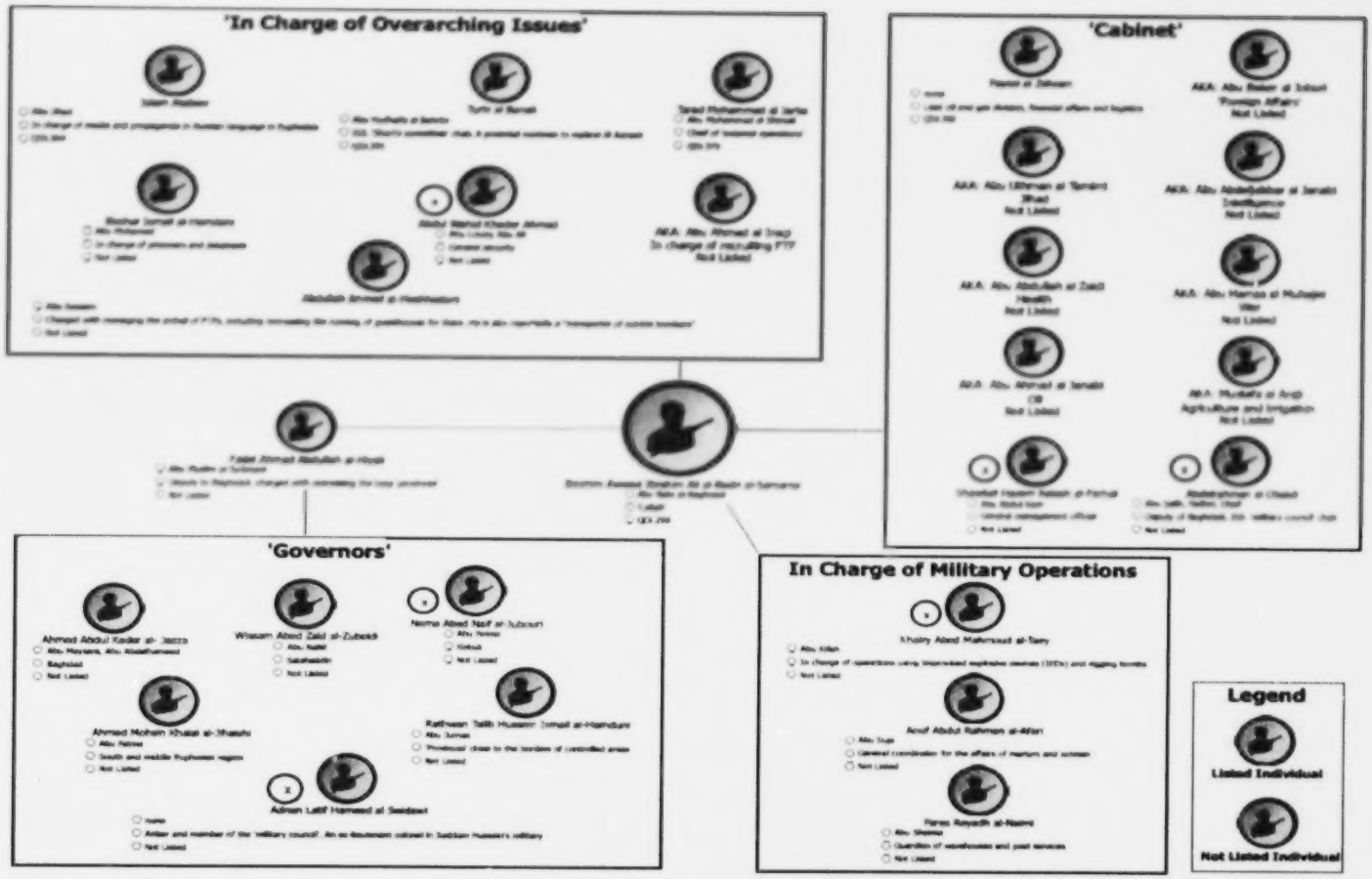
United Kingdom of Great Britain and Northern Ireland

6. The United Kingdom is defending judicial review challenges to its decision-making with regard to the designations under the Al-Qaida sanctions regime of Abdulbasit Abdulrahim, Abdulbaqi Mohammed Khaled and Maftah Mohamed Elmabruk (all delisted). The cases are currently proceeding with hearings related to the use of closed evidence.[f]

[f] Information provided by the United Kingdom.

Annex II

ISIL core leadership[9]



[9] Based on information provided by a Member State. For individuals marked with an X, information has also been provided by a second Member State.